Trials@uspto.gov
571-272-7822

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

UNILOC 2017 LLC
Patent Owner.

Case IPR2019-00753
Patent 7,587,207 B2

Before SALLY C. MEDLEY, JEFFREY S. SMITH, and JOHN F. HORVATH, *Administrative Patent Judges*.

Opinion of the Board filed by *Administrative Patent Judge* SMITH.

Opinion Dissenting filed by *Administrative Patent Judge* HORVATH.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Petitioner filed a Petition requesting *inter partes* review of claims 1–3, 5, 6, and 9–11 of U.S. Patent No. 7,587,207 B2 ("the '207 patent"). Paper 2. Patent Owner filed a Preliminary Response. Paper 6.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted unless the information presented in the Petition shows "there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." After considering the Petition, Preliminary Response, and associated evidence, we do not institute an *inter partes* review.

A. Related Matters

The parties state that the '207 patent is the subject of *Uniloc USA, Inc. et al. v. Apple Inc.*, No. 1:18-cv-00159 (W.D. Tex. 2018). Pet. 2; Paper 4, 2.

B. Real Parties in Interest

Petitioner identifies itself as the real party in interest. Pet. 46. Patent Owner identifies itself as the real party in interest. Paper 3.

C. The '207 Patent

The '207 patent relates to a communications system that includes a beacon device that transmits wireless messages and a portable device that receives the messages. Ex. 1001 [57]. The beacon broadcasts a series of inquiry messages, each in the form of predetermined data fields arranged according to a Bluetooth protocol. *Id.* For the delivery of additional data via broadcast, and in particular, data including location information, the beacon adds to each inquiry message prior to transmission an additional data field carrying broadcast data. *Id.* The portable device receives the

transmitted inquiry messages including the location data and reads the broadcast data from the additional data field. *Id.*

D. Illustrative Claim

Of the challenged claims, 1 and 9 are independent. Claim 1 is reproduced below.

> 1. A communications system comprising
>
> at least one beacon device capable of wireless message transmission and
>
> at least one portable device capable of receiving such a message transmission,
>
> wherein the beacon is arranged to broadcast a series of inquiry messages each in the form of a plurality of predetermined data fields arranged according to a first communications protocol,
>
> wherein the beacon is further arranged to add to each inquiry message prior to transmission an additional data field, and
>
> wherein the beacon is further arranged to include an indication in one of said predetermined data fields, said indication denoting the presence of said additional data field, and
>
> wherein the at least one portable device is arranged to receive the transmitted inquiry messages and read data from said additional data field, the additional data field including location information.

E. Asserted Ground of Unpatentability

Petitioner asserts the following ground of unpatentability:

References	Basis	Claims
McCall[1], BT Core[2], Hancock[3], and Larsson[4]	§ 103	1–3, 5, 6, and 9–11

II. ANALYSIS

A. Claim Construction

In this *inter partes* review, claims are construed using the same claim construction standard that would be used to construe the claims in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.100(b) (2019). The claim construction standard includes construing claims in accordance with the ordinary and customary meaning of such claims as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. *See id.*; *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–14 (Fed. Cir. 2005).

For purposes of this Decision, we need not expressly construe any claim term. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (holding that "only those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy"); *see also Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (citing *Vivid Techs.* in the context of an *inter partes* review).

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[1] U.S. Patent No. 6,738,628 B1, issued May 18, 2004 and filed Feb. 16, 2000 (Ex. 1005, "McCall").
[2] Bluetooth™ Core Specification Vol. 1, ver. 1.0 B, published Dec. 1, 1999 (Ex. 1007, "BT Core").
[3] U.S. Patent No. 5,806,017, issued Sept. 8, 1998 (Ex. 1006, "Hancock").
[4] U.S. Patent No. 6,704,293 B1, issued Mar. 9, 2004 and filed Dec. 6, 1999 (Ex. 1014, "Larsson").

B. Asserted Obviousness over McCall, BT Core, Hancock, and Larsson

Petitioner contends claims 1–3, 5, 6, and 9–11 are unpatentable over the combination of McCall, BT Core, Hancock, and Larsson. Pet. 8–45. To support this contention, Petitioner relies on the declaration testimony of Dr. Charles Knutson. *Id.*; Ex. 1003.

1. McCall (Ex. 1005)

McCall describes tracking objects within a building using a radio device associated with each object and an array of transmitting beacons. Ex. 1005, [57]. The beacons can be part of an existing wireless communication system using Bluetooth technology. *Id.* at 2:47–52, 5:6–27. Each beacon transmits identifying data. *Id.* An object receives identifying data from a beacon and sends the identifying data to a server. *Id.* The server computes the physical location of the object from the identifying data. *Id.* at 4:40–41. The object may also compute its position locally, without reference to an external system. *Id.* at 4:64–66.

2. BT Core (Ex. 1007)

BT Core "defines the requirements for a Bluetooth transceiver." Ex. 1007, 18. "In the Bluetooth system, an inquiry procedure . . . is used in applications where the destination's device address is unknown to the source." *Id.* at 108. In the inquiry procedure, the inquiry message is the access code, which has a fixed length of 68 bits, and has neither a header nor a payload. *Id.* ("[T]he inquiry message . . . is the ID packet."); *see id.* at 55 (The "ID packet consists of the . . . inquiry access code (IAC) [and] has a fixed length of 68 bits."); *id.* at 48 (In the case of inquiry procedures, "the access code itself is used as the signaling message, and neither a header nor

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